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Message Text

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ACTION IO-13

INFO OCT-01 AF-08 ISO-00 EB-08 AID-05 CIAE-00 DODE-00
PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 TRSE-00 DHA-02 OMB-01 AGRE-00
DLOS-06 SAL-01 ACDA-07 COME-00 CIEP-01 FRB-03 ITC-01
LAB-04 OIC-02 SIL-01 STR-04 CEA-01 FEA-01 INT-05 /120 W
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TO SECSTATE WASHDC 1839
INFO AMEMBASSY ADDIS ABABA

C O N F I D E N T I A L KINSHASA 1427

E.O. 11652: GDS
TAGS: ECA, AF, OCON, UN
SUBJECT: ZAIRE'S LIKELY POSITION AT UN ECONOMIC COMMISSION FOR AFRICA, ECA MEETING AND ECONOMIC ISSUES FOR OAU COUNCIL OF MINISTERS MEETING

REF: (A) STATE 032074, (B) STATE 032906,
(C) STATE A-241, (D) 76 KINSHASA 10651,
(E) 76 KINSHASA 10300, (F) 76 KINSHASA 10641,
(G) GENEVA 1032

1. PRESIDENT MOBUTU'S WELCOMING ADDRESS TO THE ECA MEETING WILL PROBABLY BE SIMILAR TO HIS OPENING ADDRESS IN DECEMBER 1976 FOR THE OAU COUNCIL OF MINISTERS CONFERENCE IN WHICH HE URGED ACTION TO BREAK THE IMPASSE IN THE NORTH/SOUTH TALKS, AND URGED THE GRADUAL CREATION OF AN AFRICAN COMMON MARKET. TO CREATE A BASE FOR SUCH A COMMON MARKET, MOBUTU SUGGESTED THE FORMATION OF AN AFRICAN ENERGY COMMISSION AND THE CREATION OF A PLANNING INSTITUTE FOR AFRICA (REFTEL E).

2. JUDGING FROM OFFICIAL SPEECHES AND PRESS ARTICLES FOR MORE THAN A YEAR, ZAIRE'S LEADERS PUT FORTH AN OVERLY SIMPLISTIC
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VIEW AS TO THE CAUSE OF THEIR ECONOMIC PROBLEMS. THEY USUALLY ATTRIBUTE THIS TO THE CLOSURE OF THE BENGUELA RAILROAD AND A STEEP FALL IN THE PRICE OF COPPER, ZAIRE'S PRINCIPAL EXPORT. PRESIDENT MOBUTU HAS REITERATED THIS THEME A NUMBER OF TIMES--INCLUDING AT LEAST TWO PRESS CONFERENCES DURING HIS RECENT EUROPEAN TRIP. HE HAS NOT SUGGESTED ANY SPECIFIC ACTION RE THE BENGUELA AND HAS LIMITED HIS APPEAL FOR A REMEDY TO ZAIRE'S

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ECONOMIC PROBLEMS TO A VAGUE, GENERAL PLEA TO RESOLVE OUTSTANDING ISSUES IN THE NORTH/SOUTH DIALOGUE. THIS IS TYPICAL OF ZAIRE'S POSITION CONCERNING ECONOMIC ISSUES. ZAIRE HAS AND IS LIKELY TO CONTINUE TO HAVE A PRAGMATIC APPROACH TOWARD ECONOMIC ISSUES AND IS NOT WEDDED TO ANY RIGID FORMULA OR CONCEPT.

3. THE COOPERATIVE AND PRAGMATIC ATTITUDE OF THE ZAIRIAN DELEGATION AT THE RECENT UNCTAD/COPPER MEETING, (REFTEL G) INCLUDING A REQUEST BY THE ZAIRIAN DELEGATION FOR A MEETING WITH THE US DELEGATION, IS TYPICAL OF ZAIRE'S APPROACH TO ECONOMIC ISSUES. IN SUM THEY ARE PRIMARILY INTERESTED IN GREATER ECONOMIC BENEFITS FOR ZAIRE. AT THE SAME TIME, ZAIRE HAS AND WILL CONTINUE TO BE EXTREMELY CAUTIOUS REGARDING ITS POSITION AS A THIRD WORLD LEADER AND MAY EVEN SACRIFICE SOME ECONOMIC BENEFITS FOR INTERNATIONAL PRESTIGE. FOR EXAMPLE, MOBUTU WAS PLEASED THAT ZAIRE WAS ONE OF ONLY THREE NON-OIL PRODUCING LDC'S INVITED TO THE FIRST CIEC CONFERENCE.

4. BECAUSE ZAIRE IS PRAGMATIC ON ECONOMIC ISSUES DOES NOT MEAN THAT ZAIRE WILL NOT MAKE SPECIFIC PROPOSALS AT THE ECA MEETING. FOR EXAMPLE, AT THE DECEMBER CONFERENCE OF THE ASSOCIATION OF AFRICAN CENTRAL BANKS (REFTEL D), THE ZAIRIAN REP STATED THAT IMF REFORMS HAD NOT GONE FAR ENOUGH IN MEETING THE NEEDS OF DEVELOPING COUNTRIES, SUPPORTED A LINK BETWEEN SDR CREATION AND DEVELOPMENT NEEDS OF LDC'S, AND URGED THE ADOPTION OF FLEXIBLE EXCHANGE RATES.

5. THE FOLLOWING IS IN RESPONSE TO REQUEST CONTAINED REFTEL (B) RE ZAIRE'S LIKELY POSITION ON SPECIFIC ECONOMIC ISSUES:
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(A) COMMON FUND FOR COMMODITIES - ZAIRE HAS NO FIXED POSITION AND AS REPORTED (REFTEL G) IS NOT LIKELY TO DEVELOP ONE.
(B) DEBT RELIEF - DESPITE THE FACT THAT ZAIRE HAS ONE OF THE LARGEST FOREIGN EXCHANGE DEBT IN RELATION TO ITS NATIONAL PRODUCT OF ANY COUNTRY IN THE WORLD, IT IS UNLIKELY TO SUPPORT A DEBT MORATORIUM. AS EXHIBITED BY THE RECENT AGREEMENT BETWEEN THE GOZ AND PRIVATE BANKERS, DESIGNED TO ENABLE ZAIRE TO BECOME CURRENT WITH ITS PAYMENTS TO THE LATTER WITHOUT THE NECESSITY FOR RESCHEDULING, THE GOZ APPARENTLY REALIZES THAT IT WILL NEED CONTINUED ASSISTANCE FROM PRIVATE BANKERS FOR ITS ECONOMIC DEVELOPMENT.
(C) CIEC RESUMED SESSION - GOZ IS PROUD OF ITS MEMBERSHIP IN CIEC AND CONSIDERS IT A KEY INSTRUMENT IN RESOLVING NORTH/SOUTH ISSUES WHICH MOBUTU HAS CITED ON NUMEROUS OCCASIONS AS BEING OF THE UTMOST IMPORTANCE. AS FOR SPECIFIC CIEC STRATEGY, GOZ HAS AND PROBABLY WILL CONTINUE TO FOLLOW THE LEAD OF FRANCE.
(D) PAKISTANI PROPOSAL FOR THIRD WORLD ECONOMIC SUMMIT - PAKISTANI EMBOFF TELLS US THAT PAKISTANI AMBASSADOR HAS GIVEN PROPOSAL FROM PRIME MINISTER BHUTTO TO PRESIDENT MOBUTU URGING

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THIRD WORLD ECONOMIC SUMMIT. REPORTEDLY, MOBUTU'S RESPONSE WAS NONCOMMITTAL AND IS LIKELY TO REMAIN SO UNTIL SUPPORT FOR BHUTTO'S PROPOSAL BECOMES CLEARER.

6. THE ZAIRIAN DELEGATION FOR THE ECA HAS NOT YET BEEN NAMED. ALL PREPARATIONS FOR THE CONFERENCE ARE BEING DECIDED BY THE OFFICE OF THE PRESIDENCY. PRESIDENT MOBUTU AND PRESIDENCY DIRECTOR BISENGIMANA ARE CURRENTLY AWAY FROM KINSHASA, AND WE ARE UNABLE TO OBTAIN INFORMATION AS TO THE DELEGATION UNTIL THEY RETURN. AS IS CUSTOMARY, SELECTION OF THE ZAIRIAN DELEGATION WILL PROBABLY BE ANNOUNCED AT THE LAST MINUTE. WE SHALL REPORT WHEN AVAILABLE.
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